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DEPARTMENT OF ECONOMICS

Against All Odds: The Surprising Labor Market Success of Young Mexican Women

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Abstract

Using the NLSY, we find that young Mexican women earn 11.7% less than young White women while young Black women earn 19.2% less than young White women. Although young Mexican women earn less than young White women, they do surprisingly well compared to young Black women. We show that while it is crucially important to account for actual labor market experience, it does not matter if we account for childbirth patterns, and non-linearities in the experience profile. We further show that low labor force attachment is the most important determinant of the Black-White wage differential for young women while education is the most important explanation for the Mexican-White wage gap for young women.

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Recent research (Trejo, 1997 and 1998; Reimers, 1994; Chavez, 1991; DeFreitas, 1991; Smith, 1991; and Chapa, 1990) has renewed interest in the relatively poor labor market performance of Mexican men.[1] Trejo (1997) finds that lower levels of education, English deficiencies, and the relative youth of Mexican men can explain 75% of the gap between Mexican and White wages. In contrast, these factors explain less than 30% of the Black-White wage gap.[2] Despite the flurry of recent research exploring the poor performance of Mexican men, we are aware of only one study that includes women (Mora and Davila, 1998), and they focus on the differential return to English fluency across gender. We therefore seek to add to the current debate about Mexican labor market performance by comparing the 'plight' of young Mexican women with their Black and White counterparts.

Previous work focused on men because higher participation rates imply that Mincer experience measures are more accurate and selection issues less important. While Mincer experience may be a relatively good approximation of true experience for men with high labor force attachment, it is a poor proxy for women and possibly some minority groups.[3] We are able to overcome this measurement problem using National Longitudinal Survey of Youth (NLSY) data. In particular, the longitudinal nature of the NLSY allows us to construct true experience measures, as well as complete education, childbirth, and marital histories. Since these factors may play important roles in determining the labor market participation decisions of women, the NLSY is well suited to this study.

It is well established that women tend to move in and out of the labor market more frequently than men, and that job interruptions surrounding childbirth have long-term implications for women's wages (Jacobsen and Levin, 1995, and Waldfogel, 1997 and 1998). Waldfodel (1997,

[1] Earlier studies include Grenier (1984), Reimers (1983), McManus, Gould and Welch (1983), and Chiswick (1977).

[2] The differing Black and Mexican experiences suggest that comparing the labor market outcomes for two economically disadvantaged groups may also help uncover the factors that influence wages (Trejo, 1997; Cotton, 1985; and Reimers 1983).

[3] Mora and Davila (1998) use the 1980 and 1990 Public Use Micro Samples (PUMS) and are therefore forced to use Mincer experience. Tangentially, we also construct actual experience measures for men to investigate Trejo's (1997) suggestion that Mincer experience may be a poor proxy for Blacks because they are less attached to the labor market. We do indeed find that replacing Mincer experience with actual experience allows us to explain 50% of the Black-White wage gap in the NLSY compared to 36% when the Mincer approximation is used.

1998) shows that children have a negative impact on earnings despite controls for actual labor market experience. Waldfogel (1997) finds that women who are covered by formal maternity leave programs, and return to their former employer after childbirth, earn higher wages than women who do not return to their former employer after childbirth, and are not covered by formal maternity leave. Further, Waldfogel (1998) shows that the positive impact of maternity leave outweighs the negative effect of children by increasing the probability that women return to their former employer after childbirth.[4] Unfortunately, we are unable to determine whether or not a woman returns to her pre-birth employer or has access to maternity leave in the NLSY for the entire cohort.[5] We do, however, allow for the possibility that a woman's experience profile may change slope after successive childbirth experiences.

Accounting for the wage gap between race groups for women clearly requires a careful accounting of differences in labor market participation and family structure in addition to educational differences. In 1992, the average young Mexican woman earned 11.7% less than the average young White woman while the average young Black women earned 19.2% less than the average young White woman.[6] Education, fertility, and labor force attachment differences at various points in the lifecycle play a crucial role in determining differences across racial/ethnic groups. We show that low labor force attachment is a particularly important explanation for the Black-White wage differential, while education plays a more prominent role in explaining the Mexican-White wage gap.

The remainder of the paper is as follows. The next section briefly describes the data and variables used. Section 3 details the socioeconomic characteristics by race group. Section 4 presents the basic wage patterns for each race group and explores the factors that contribute to wage differentials across groups. Section 5 decomposes the race wage gaps to identify the driving factors. Section 6 summarizes and concludes.

[4] Phipps, Burton, and Lethbridge (1998) echo Waldfogel, they find that returning to the pre-birth employer has a positive impact on wages for Canadian women.
[5] Maternity leave information is only reported after 1985. Restricting our analysis to women who give birth after 1985 reduces the Mexican sample to an unmanageable size.

2. Data

We use the National Longitudinal Survey of Youth (NLSY) which contains longitudinal data from 1979-1994 for a sample of men and women aged 14-22 in 1979. There are several features of this data that are crucially important for our purposes. First, the NLSY contains information that allows us to construct actual (rather than potential) work experience. This is particularly important when studying women. Secondly, this data includes detailed information on childbirth patterns. Finally, the NLSY allows us to identify non-immigrants and separate individuals into racial/ethnic origin groups.

The NLSY contains 2435 non-immigrant Mexican, Black, and White women who were employed and report a wage between $1 and $100 per hour in 1991 or 1992, are not self-employed, and do not attend school between 1990 and 1992. 1991 data are only used if the respondent failed to report the information required to construct an hourly wage measure in 1992, but did report this information in 1991.[7] Hourly wages for 1992 are calculated as annual wages and salaries in 1992 divided by the number of weeks-worked in 1992 times the usual number of hours worked per week in 1992.[8] Hourly wages for 1991 are calculated analogously. All variables are matched to the hourly wage data. For instance, marital status in 1992 is replaced with marital status in 1991 if hourly wage data is missing in 1992, but available in 1991.

Since we are interested in the number of children present in 1991/92 as well as the year in which each child is born, we construct all child variables using the 1993 and 1994 retrospective year of birth reports. These variables report the year of birth for up to 9 children for each respondent.[9]

We calculate two measures of experience: Mincer experience and actual experience. Mincer experience is calculated as age minus years of education minus six. Actual experience is years of

[6] These percentages are based on NLSY data from 1992 (and 1991 when 1992 data are unavailable).
[7] As in Waldfogel (1998), we are using wage data for multiple years to increase our sample of young Mexican women and to reduce sample selection.
[8] Usual hours worked per week are top coded at 60 hours per week.
[9] Alternatively, we could use the number of children ever born, however, this variable is only reported from 1982 to 1994, which means we would lose detailed information on childbirth patterns prior to 1982.

post-schooling employment reported between 1979 and 1992 plus Mincer experience prior to 1979.[10]

Individuals are assigned to a racial/ethnic origin group by reports of first, or only, racial/ethnic origin. We focus on three racial/ethnic groups: Mexicans, Blacks and Whites. An individual is considered Mexican if she claims to be Mexican or Mexican American. Similarly, an individual is considered Black if she claims to be Black. A respondent is considered White if she claims to be English, French, German, Greek, Irish, Italian, Polish, Portuguese, Russian, Scottish, Welsh, or American, and is not Black.

Place of birth is used to define immigrant status. An individual is considered a non-immigrant if they were born in the United States. The results are not sensitive to this definition. All results are similar if the definition is changed to require that the respondent and both parents be U.S. born, or to require that the respondent and at least one parent be U.S. born. Restricting our analysis to non-immigrants allows for easier comparison with previous work by Trejo (1997, 1998) and reduces the potential influence of English proficiency, for which we have no measure.

3. Socioeconomic Characteristics

Table 1 presents the sample means for the main variables used in the analysis. Inspection of Table 1 reveals that, in our data, the average young Mexican woman earns 11.7% less than the average young White woman, while the average young Black woman earns 19.2% less than the average young White woman.[11] The obvious question is: Why do young Mexican women fare relatively better than their Black counterparts?

[10] We can not construct actual experience for years before the first survey in 1979.

[11] The Mexican/White and Black/White differentials among young women in the 1990 U.S. census are 14.5% and 14.9% respectively. These differentials are consistent with the differentials in the NLSY for 1990, i.e., the Mexican/White differential is 16.6% while the Black/White differential is 18.3%. The 1990 differentials are likely closer together because the U.S. was in an economic downturn, while in 1992 the U.S. was in an economic upturn. Trejo (1997) finds similar results for men in the CPS. For example, in 1979, when the U.S. was in an economic upturn, the Mexican/White differential was substantially smaller than the Black/White differential (15.1% and 22.1%, respectively). While, in 1989, when the U.S. was in an economic downturn, the Mexican/White differential is closer in magnitude to the Black/White differential (23.9% and 28.4%, respectively).

Part of the relative success enjoyed by young Mexican women may be due to differences in socioeconomic characteristics. For example, race-specific fertility differences may be an important determinant of wages. Waldfogel (1997, 1998) and Korenman and Neumark (1992) find that children have a negative effect on wages for women, all else being equal. Larger relative Black families would therefore help explain the relative success of young Mexican women. While young White women have significantly fewer children than their Mexican and Black counterparts, Table 1 reveals that the average Mexican woman is more likely to have 2 or more children than the average Black woman. It is therefore unlikely that childbearing differences play a significant role in explaining differences in Mexican and Black labor market performance, unless it is through timing of children. The average Black woman has her first child when she is 20 and her second when she is 23, while the average Mexican woman has her first child when she is 21 and does not have her second child until she is 25.

The second obvious question is: Are young Mexican women more educated than young Black women? Table 1 clearly shows that the answer is again no. The average young Mexican woman has 12 years of education, while the Black and White averages are both 13 years. The most striking difference across race groups is the substantially higher high school drop-out rate and low college graduation rate of young Mexican women.

The third obvious question is: Are young Mexican women more attached to the labor force than their Black counterparts? Both Mexicans and Blacks spend less time in the labor market than White women. For instance, the average 30-year-old Mexican woman has 8.3 years of post-schooling experience while her Black counterpart has only 7.7 years and her White counterpart has 9.2 years. However, factoring in educational differences, Mexicans and Blacks have similar amounts of experience.

The similarities in average socioeconomic characteristics across young Mexican and Black women do not, of course, imply that the time patterns, variation within race groups, or the return to certain attributes are the same across all race groups. In fact they clearly indicate that some, or all, of these factors must differ. We draw two main conclusions, or more accurately hypotheses,

from the simple descriptive statistics reported above. First, if fertility rate differences play a role in explaining the wage gap between Mexicans and Blacks it must be through timing and a differential impact on experience. Second, education and experience differences between Mexicans and Blacks must therefore play an important role in explaining their respective wages gaps compared to White women. The remainder of the paper more formally explores these possibilities.

4. Wages

It is standard practice to compare the wages of various groups by running a log hourly wage regression with Mincer experience, educational attainment, marital status, number of children, region, and urban designations as the independent variables.[12] In order to compare our results to the literature, the middle column of Panel A in Table 2 reports this *base* regression for Mexicans, Blacks, and Whites separately. All regression results reported in Table 2 are based on pooled regressions of the following form:

$$\log w_{ri} = X_{ri}\alpha_r + C_{ri}\beta + \varepsilon_{ri} \qquad (1)$$

where w is the hourly wage, r denotes race ($r = W, M,$ or B), X includes all observable characteristics for which the coefficients are allowed to vary across racial/ethnic groups, and C includes all observable characteristics for which the coefficients are restricted to be the same across racial/ethnic groups. The variables in X include: experience, education, marital status, child variables, and the intercept. The variables in C include: region of residence, SMSA, and a year dummy (set to 1 if the reporting year is 1992).

There are several noteworthy results presented in the middle column of Panel A. First, education has a positive impact on the wages of young women in all racial/ethnic origin groups while a single child has a negative impact on wages for young White women, and 2 or more children have

[12] We tried including occupational codes, parental education, number of siblings, and husband's employment status to check that we were not missing important variables. These variables are not included because they were generally insignificant and their inclusion does not change the results presented. We also ran all regressions using Hispanic in place of Mexican as the race definition, but again this does not change the results in any substantive way.

a negative impact on wages for both young Black and White women. Secondly, the experience estimates are rather small (ranging from -0.006 to 0.022), and only statistically significant for young Black women. Finally, only education exhibits a statistically significant relationship with wages for Mexican women at conventional levels.

There are, of course, many good reasons to be skeptical about estimates based on Mincer experience for women. The movement of women in and out of the labor market, especially surrounding childbirth, may render Mincer experience an extremely inaccurate proxy for actual experience for many women. The right-hand column of Panel A replicates the *base* regression replacing Mincer experience with actual experience and age. Age is included to capture out of the labor force spells. Comparing these results to the *base* estimates highlights the importance of measuring actual experience. The experience coefficients are larger (ranging from 0.039 to 0.056) and statistically significant at conventional levels for all racial/ethnic groups. Further, time out of the labor force has a negative, and significant, affect on the wages of both young Black and young White women. Finally, children continue to have a negative, and significant, impact on the wages of young White women.

Education enters all Panel A regressions as a continuous (linear) variable. Since it seems likely that the relationship between wages and educational attainment is non-linear, for at least some race groups, Panel B replicates Panel A with education entering as three dummy variables: high school graduate, some college, and college graduate, with high school drop-out being the excluded category. Focusing on the regression that includes actual experience, it is clear that the impact of educational attainment differs substantially across race groups. Relative to Whites, Mexicans earn a higher return from college graduation, and Blacks earn a higher return from all levels of education.

Of further interest is the negative and significant coefficient on having 2 or more children despite controls for actual labor market experience and time out of the labor force for young White

women.[13] This suggests that labor market disruptions caused by childbirth might also be an important determinant of wages. We therefore re-estimated Panel B of Table 2 allowing the actual experience profile to change slope after childbirth experiences.[14] However, we find little evidence that experience profiles change slope after childbirth experiences for any of the racial/ethnic groups. In fact, we were unable to reject the null hypothesis that there is a single experience coefficient for any racial/ethnic group.[15]

5. What Explains the Wage Gap?

Table 3 decomposes the Mexican/White and Black/White wage gaps for young women using the now standard decomposition technique proposed by Oaxaca (1973). The decomposition is calculated as follows. We predict the mean log wages for White (*W*) and Mexican (*M*) or Black (*B*) young women from our preferred pooled regression presented in Panel B (right-hand side) of Table 2 as follows:

$$\overline{\log w_r} = \overline{X}_r \hat{\alpha}_r + \overline{C}_r \hat{\beta} \qquad (2)$$

where bars denote means, hats denote predicted values. All other variables are as previously defined in Section 4.

The wage gap between Whites (*W*) and either minority group (*m = M,B*) is therefore:

$$\overline{\log w_W} - \overline{\log w_m} = (\overline{X}_W \hat{\alpha}_W - \overline{X}_m \hat{\alpha}_m) + (\overline{C_W} - \overline{C_m})\hat{\beta} \qquad (3)$$

[13] This result is consistent with previous work by Korenman and Neumark (1992) and Waldfogel (1997, 1998), who also find a negative effect of children after controlling for actual labor market experience.

[14] In order allow for the possibility that experience profiles differ across birth patterns, we allow the slope to change after childbirth experience. To do this we construct three experience measures: Experience 1, Experience 2, and Experience 3. Experience 1 is the years of actual experience until the year in which the first child is born, or until the cut-off (1991/92) if there is no first child. Experience 2 is the years of actual experience between the years of the first and second births, or until the cut-off if there is no second child, and zero otherwise. Experience 3 is years of actual experience after the year of the second birth, and zero if there is no second child. The results are not sensitive to combining second and higher births into one category. We can break the birth and experience variables into finer groups, but some cell sizes become quite small.

[15] The regression results, which include Experience 1 through Experience 3, are available from the authors upon request.

Adding and subtracting $\hat{\alpha}_W \overline{X_m}$ from the right hand side of equation (3) gives:

$$\overline{\log w_W} - \overline{\log w_m} = (\overline{X_W} - \overline{X_m})\hat{\alpha}_W + (\overline{C_W} - \overline{C_m})\hat{\beta} + \overline{X_m}(\hat{\alpha}_W - \hat{\alpha}_m) \qquad (4)$$

The first two terms on the right hand side of equation (4) represent the part of the racial/ethnic wage gap attributable to observable socioeconomic characteristics, while the last term reflects the component of the racial/ethnic wage gap due to unobservable socioeconomic characteristics.

The decomposition results are reported in Table 3. The first row reports the total log wage differential. The second and third row blocks report the proportion of the total wage differential attributable to observable and unobservable socioeconomic characteristics, respectively.

All else being equal, observable differences in education account for 25.0% of the Black/White gap and 95.7% of the Mexican/White gap. In contrast, observable differences in experience, all else being equal, account for 21.9% of the Black/White gap and 7.7% of the Mexican/White gap. Overall, observable factors explain the more than the entire Mexican/White gap and 72.9% of the Black/White gap. The remaining component of the Black/White wage differential is due to unobservable characteristics. Similar to Trejo (1997), we find that observable characteristics play a larger role in explaining the relative labor market performance of Mexicans than Blacks.

The implications of these results are best illustrated graphically. Figures 1 through 3 plot the predicted wage profiles for the 'typical' White, Mexican and Black high school graduates, women with some college, and assuming that racial/ethnic groups acquire experience at the same annual rate, respectively. The 'typical' White woman has some college education, works 82% of each year, and has two children (born when she is 24 and 26). The 'typical' Mexican woman is a high school graduate, works 79% of each year, and has two children (born when she is 21 and 25). The 'typical' Black woman has some college education, works 75% of each year, and has two children (born when she is 20 and 23).[16] All other variables, except the variable targeted for

[16] We determined the percent of time a woman worked each year as actual labor market experience divided by (age minus years of education minus 6). To more accurately portray life-time patterns, both the average of the mother's age at birth and yearly experience is based on women between the ages 33 and 35 in 1992.

change, are held constant across race groups in all figures.[17] Differences across wage-profiles therefore reflect the influence of specific factors on the wage gap between minority groups and Whites. Stated somewhat differently, these figures illustrate the potential for specific factors to close the wage gap.

Despite the higher fertility of Mexican women, Figures 1 and 2 clearly show that improved educational outcomes would lead to improved wage outcomes for young Mexican women. Altering no other difference between Whites and Mexicans, these figures show that were Mexican women to achieve the same level of education as white women, their wage performance might well exceed that of whites. Notice however, that the Mexican and White wage profiles converge with age due to the flatter age-experience profile of Mexicans.[18] In contrast, the wage gap is reduced, and in the case of high school graduation removed, when Black and White women are assumed to both have the same education.

In Figure 3, we assume average racial/ethnic education levels, high school graduation for Mexicans and some college for Blacks and Whites, but replace actual racial/ethnic specific average annual experience accumulation rates with the White experience accumulation rate. In this case, Mexican women fair quite well early on, but are surpassed by White women by age 31. On the other hand, Black women earn less than White women early on, but surpass White women by age 35.

6. Conclusion

There has been increasing interest in the relatively poor labor market outcomes of economically disadvantaged groups in the United States. However, with the exception of one study, all existing research focuses on the labor market outcomes of economically disadvantaged men. This paper has attempted to fill this void by examining the relative labor market outcomes of two

[17] All individuals are assumed to live in the west, to not live in a SMSA, and to be single.
[18] Although we focus on the wage experience of young Mexican women, our results suggest that the relative success of Mexican women, compared to Black women, is reversed at older ages. It would therefore be interesting to know if educational deficiencies drive this result, or if other factors play an important role.

economically disadvantaged groups of young women, Mexicans and Blacks, using the NLSY. We find that young Mexican and Black women earn 12 and 19 percent less than young White women respectively, but that the factors driving the relative wage gaps differ. The most important determinant of the Mexican/White wage gap is low levels of education, while low levels of labor force attachment is the most important determinant of the Black/White wage gap.

Maybe the most amazing aspect of the relative success of young Mexican women is the fact that they achieve it despite of low levels of education and high fertility rates. In fact, if the average young Mexican woman had the observable characteristics of the average young White woman, she would earn 4.2 percent more than her white counterpart. In contrast, the average young Black women would continue to earn 6.5 percent less than her white counterpart. Our results therefore paint a somewhat optimistic picture for young Mexican women. This is a group of women who perform better than would be anticipated based on observable socioeconomic characteristics. It is in this sense that we view the labor market performance of young Mexican women to be both surprisingly good, and in some sense occurring 'against all odds'.

The results presented in this paper are encouraging for Mexican women because it seems more likely that we can develop programs to encourage young Mexican women to stay in school than that we will be successful in encouraging Black women to participate in the labor market. Numerous studies, see Moffit (1991) for a survey, have shown that female labor supply is highly inelastic and that welfare reforms, negative income tax schemes, and the like therefore have little impact on labor supply behavior. On the other hand head-start programs have proven somewhat successful with Hispanic children (Currie and Thomas, 1997). The combination of childhood intervention and financial aid for post-secondary education might therefore significantly change educational attainment levels for Mexican women, and hence their wages and poverty status.

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Table 1. Sample Means

	Mexican		Black		White	
	Mean	**St. Dev.**	**Mean**	**St. Dev.**	**Mean**	**St. Dev.**
Log Hourly Wages	2.113	0.560	2.038	0.643	2.230	0.642
Age	30.638	2.386	30.688	2.311	30.654	2.349
Experience*						
Mincer	12.477	3.318	11.688	3.290	11.273	3.455
Actual	9.173	3.428	8.456	3.581	9.375	3.368
Education						
Years of Education	12.160	2.353	13.000	2.293	13.381	2.509
Less than High School	0.277	0.449	0.131	0.337	0.118	0.322
High School Graduate	0.372	0.484	0.400	0.490	0.397	0.489
Some College	0.254	0.436	0.304	0.460	0.208	0.406
College Graduate	0.097	0.297	0.164	0.371	0.277	0.448
Fertility						
1 Child	0.151	0.359	0.232	0.422	0.234	0.423
2+ Children	0.640	0.481	0.519	0.500	0.428	0.495
Sample Size	229		806		1400	

Standard deviations in parentheses. Sample includes women between 26 and 35 who earned a positive hourly wage between $1 and $100 per hour in 1991 or 1992, who were not self-employed, and who were not enrolled in school during 1990, 1991, or 1992. 1991 data are only used if the respondent failed to report the information required to construct an hourly wage measure in 1992, but did report this information in 1991. 1992 sampling weights were used.

* Mincer Experience — Age - Years of Education - 6

Actual Experience — Years of post-schooling employment reported between 1979 and 1992 plus potential experience prior to 1979. The 1992 cut-off is replaced with 1991 if the respondent failed to report hourly wages in 1992 but did report in 1991.

Table2. OLS Regressions (Dependent Variable: Log Hourly Wages)

	Mincer Experience			Actual Experience		
	Mexican	**Black**	**White**	**Mexican**	**Black**	**White**
Panel A						
Experience	-0.006	0.022	0.008	0.039	0.056	0.046
	(0.339)	(2.327)	(1.038)	(2.799)	(7.542)	(6.181)
Age				-0.034	-0.024	-0.029
				(1.550)	(2.264)	(3.121)
Education	0.055	0.116	0.093	0.070	0.114	0.110
	(2.219)	(8.061)	(8.696)	(2.739)	(11.055)	(11.928)
Married	-0.013	0.027	0.073	-0.027	-0.006	0.038
	(0.148)	(0.599)	(2.083)	(0.298)	(0.140)	(1.111)
1 Child	-0.006	0.012	-0.112	0.026	0.033	-0.079
	(0.057)	(0.197)	(2.401)	(0.238)	(0.561)	(1.730)
2+ Children	-0.042	-0.109	-0.171	-0.014	-0.037	-0.092
	(0.421)	(2.045)	(4.086)	(0.128)	(0.730)	(2.237)
Intercept	1.258	0.026	0.626	1.758	0.653	1.025
	(2.849)	(0.092)	(3.079)	(3.150)	(2.033)	(4.152)
Panel B						
Experience	-0.008	0.013	0.004	0.047	0.049	0.045
	(0.433)	(1.681)	(0.474)	(3.274)	(6.650)	(6.359)
Age				-0.050	-0.020	-0.026
				(2.421)	(1.820)	(2.820)
High School Grad	-0.066	0.323	0.078	-0.050	0.285	0.035
	(0.638)	(3.955)	(1.262)	(0.499)	(4.026)	(0.564)
Some College	0.089	0.534	0.319	0.165	0.505	0.318
	(0.627)	(6.133)	(4.692)	(1.389)	(7.128)	(4.674)
College Grad	0.670	0.879	0.608	0.832	0.871	0.696
	(4.101)	(8.448)	(8.333)	(6.167)	(10.851)	(10.438)
Married	-0.059	0.014	0.064	-0.083	-0.009	0.034
	(0.691)	(0.321)	(1.855)	(0.991)	(0.204)	(0.981)
1 Child	0.008	0.024	-0.101	0.050	0.041	-0.070
	(0.086)	(0.376)	(2.225)	(0.519)	(0.668)	(1.572)
2+ Children	-0.032	-0.096	-0.158	0.008	-0.041	-0.095
	(0.337)	(1.745)	(3.805)	(0.080)	(0.768)	(2.280)
Intercept	1.931	1.219	1.676	2.966	1.679	2.169
	(6.593)	(7.467)	(13.162)	(5.300)	(5.256)	(8.803)

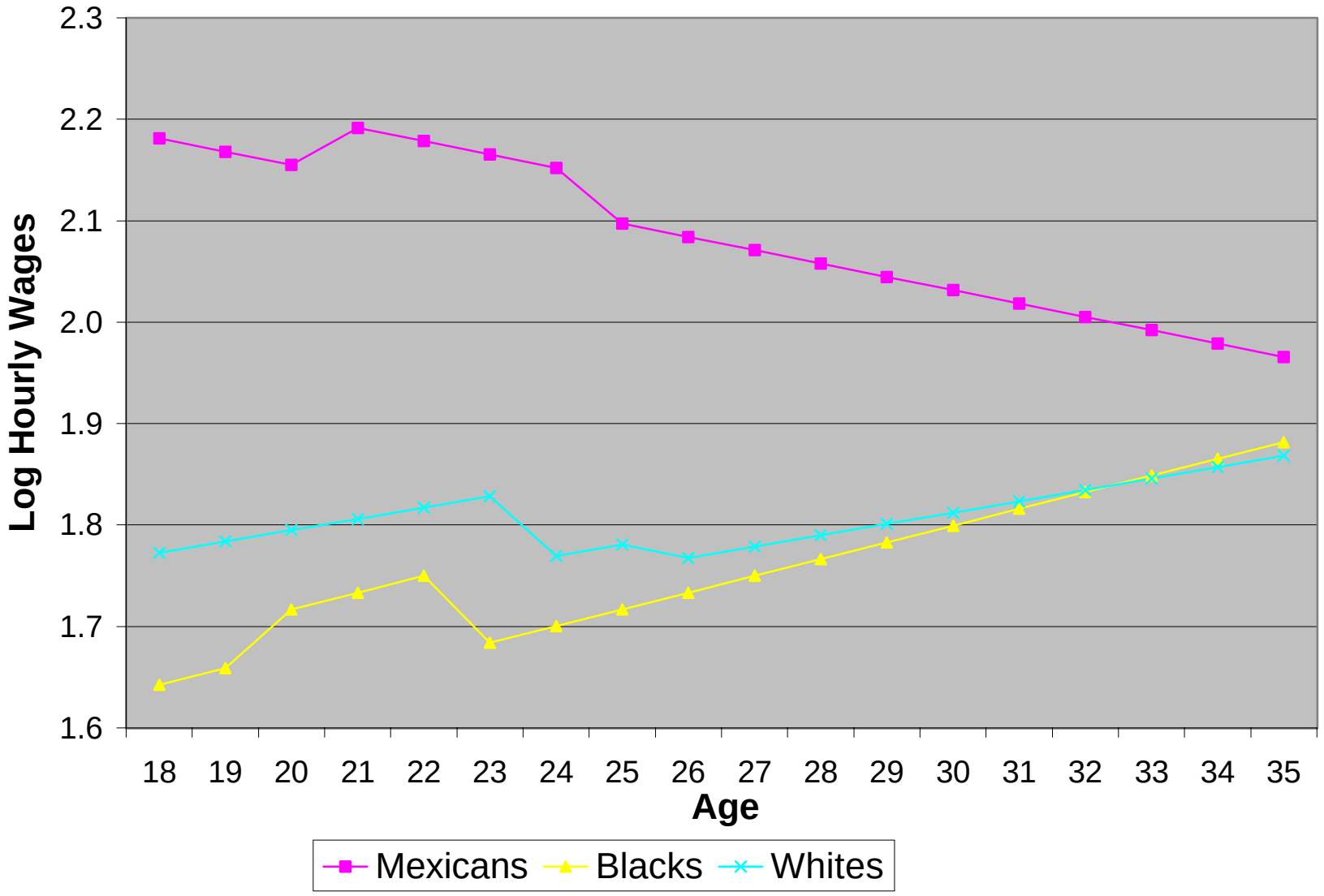
Absolute value of heterscedastic consistent t-statistics in parentheses. All regression results based on pooled regressions. All variables vary by ethnicity with the exception of the following variables which are not reported: region of residence, SMSA,and data year dummy variables. All samples are restricted to women between the ages 26 and 35 who earned positive hourly wages between $1 and $100 per hour in 1991 or 1992, who were not self-employed, and who were not enrolled in school during 1990, 1991, or 1992. 1991 data are only used if the respondent failed to report the information required to construct an hourly wage measure in 1992, but did report this information in 1991. The number of observations is 2435. 1992 sampling weights were used.

Table 3. Decomposition of Log Hourly Wage Differences

	Whites & Mexicans		Whites & Blacks	
	Prediction	**Std. Error**	**Prediction**	**Std. Error**
Total Log Wage Differential	0.117	0.040	0.192	0.026
Attributable to Differences in Observable Characteristics				
Experience	0.009	0.001	0.042	0.007
Age	0.000	0.000	0.001	0.000
Education	0.112	0.011	0.048	0.005
Marriage	0.001	0.001	0.009	0.009
Children	0.014	0.008	0.008	0.004
Other	0.010	0.015	0.031	0.014
Total	0.146	0.019	0.140	0.018
Attributable to Differences in Unobservable Characteristics				
Intercept	-0.797	0.605	0.491	0.396
Experience	-0.010	0.145	-0.026	0.086
Age	0.732	0.694	-0.189	0.440
Education	0.057	0.082	-0.186	0.077
Marriage	0.073	0.057	0.017	0.021
Children	-0.084	0.080	-0.054	0.047
Total	-0.029	0.045	0.052	0.032

Based on regression results presented in Table 2, Panel B for actual experience. 1992 Sampling weights were used.

Figure 1. High School Graduates



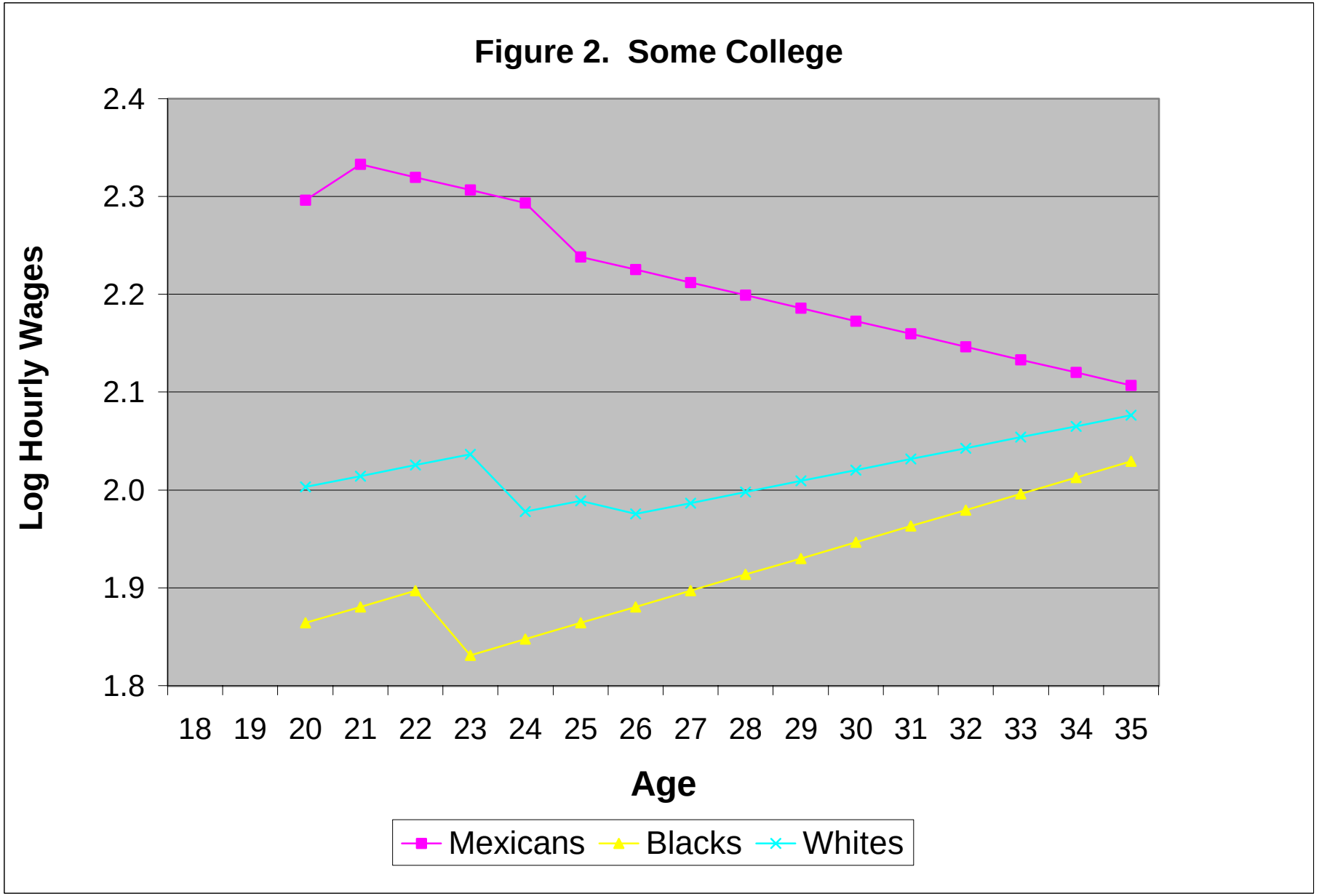
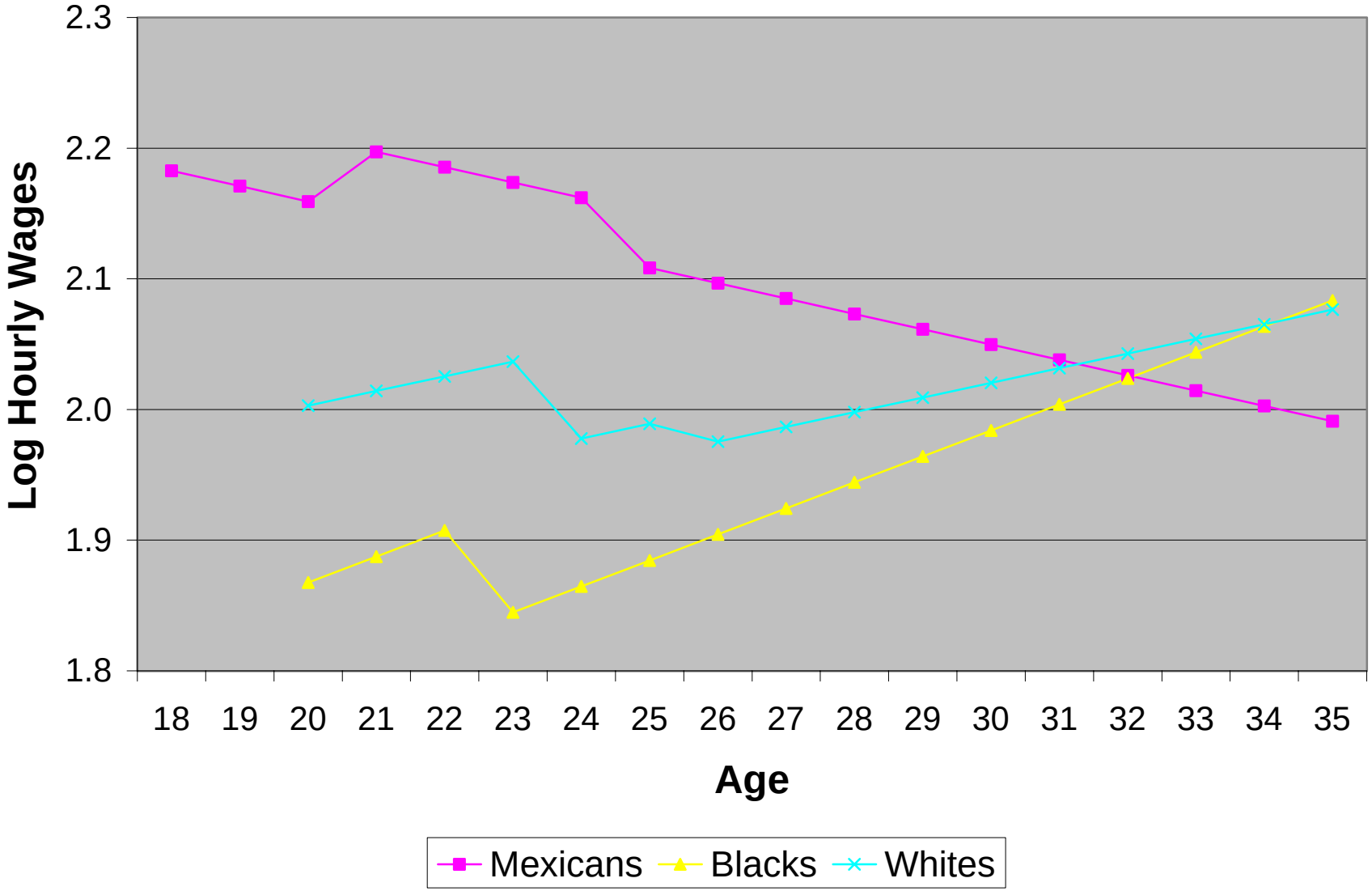


Figure 2. Some College
Log Hourly Wages
2.4
2.3
2.2
2.1
2.0
1.9
1.8
18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35
Age
Mexicans
Blacks
Whites

Figure 3. Full Labor Force Attachment



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